

EXHIBIT 8-L
SAMPLE MANAGEMENT PLAN

(This example is for a City managed project.)

MANAGEMENT PLAN FOR THE MONTANA DEPARTMENT OF COMMERCE
COMMUNITY DEVELOPMENT BLOCK GRANT -ECONOMIC DEVELOPMENT
PROGRAM, MDOC CONTRACT #_____, ON BEHALF OF NAME OF COMPANY

I. Administrative Structure

The Name of City ("City") is an incorporated city with a Mayor-Council form of government. The following persons will have lead responsibility for administering the City's FY _____ Community Development Block Grant – Economic Development (CDBG-ED) to facilitate an expansion of Name of Company ("Company").

- A. _____, as the City's chief elected official, will have responsibility for all official contacts with the Montana Department of Commerce (MDOC). The Mayor and City Council will have the ultimate authority and responsibility for the implementation of the City's FY _____ CDBG-ED project, to facilitate an expansion of the Company. The Mayor will approve and sign administrative documents, designate the Environmental Certifying Officer and approve all requests for payment from the CDBG-ED program. The City Council will approve all contracts and drawdown requests. The telephone number for the Mayor and Council is Phone Number and email for the Mayor and Council is Email Address.
- B. _____, Fiscal Officer, will act as Finance Manager for the CDBG-ED project and will be responsible for management of and record keeping for the CDBG-ED funds and other funds involved in the financing of the business expansion for Name of Company. Approximately % Percentage of his/her time will be devoted to CDBG-ED administration during the term of the project. (Telephone: Telephone Number, Email address: Email Address)
- C. _____, City Clerk, will maintain all records for the project. Approximately % Percentage of his/her time will be devoted to maintaining CDBG-ED records. (Telephone: Telephone Number, Email address: Email Address)
- D. _____, will be the Project Manager. He/she will be the liaison between BSC Company and the City Council members, City Attorney, and the MDOC. He/she will make appropriate recommendations and route all contract documents, required administrative documents, and drawdowns. On behalf of the City Council, he/she will maintain the project files, be responsible for Federal, State and programmatic requirements and manage the administration and implementation of the CDBG-ED project for an expansion of the Company. He/she will be responsible for assisting the applicant with all aspects of managing the project, including the completion of the environmental review, preparation of contracts, loan agreements,

low-to-moderate income documentation and monitoring. Approximately % Percentage of his time will be devoted to CDBG-ED administration during the term of tile project. (Telephone: Telephone Number, Email address: Email Address)

- E. _____, City Attorney, will review and advise the City Council regarding any proposed contractual agreements associated with the CDBG-ED project and will provide any other legal guidance as requested. The City Attorney will review and approve all loan agreements and related documents. (Telephone: Telephone Number, Email address: Email Address)
- F. _____, of Name of Company will serve as the project representative for the Company.
- G. The local Job Service will be responsible for screening and verifying income levels for all job applicants and maintaining employment files in accordance with CDBG – ED guidelines.
- H. In accordance with the Single Audit Act, as amended, an independent auditing firm will review and make a report on the CDBG-ED.

II. Project Management

- A. The Project Manager will be responsible for:
 - 1. Ensuring that the Loan Agreement between City and the Company is executed.
 - 2. Preparing the Environmental Review Record (ERR) to assure full compliance with the National and Montana Environmental Policy Acts and any other applicable environmental requirements. The Project Manager also will be responsible for preparing any required legal notices for the ERR Process and for ensuring required public hearings or informational meetings are conducted.
 - 3. Preparing a Request for Release of Funds (RROF) for submittal to the MDOC.
 - 4. Developing the contract with the MDOC and administering all requirements related to effective project start-up and implementation.
 - 5. Preparation of contracts and loan agreements between the City and the Company.
 - 6. Assisting the Company and the local Job Service with documentation of low-to-moderate income, and racial/ethnicity categories documentation.

7. Establishing and maintaining complete and accurate project files and preparing all documentation and reports incidental to administration of the grant.
8. Reviewing all proposed project expenditures or requests for payment to ensure their propriety and proper allocation of expenditures to the CDBG-ED project budget.
9. In cooperation with the City Fiscal Officer, reviewing requests for payment to ensure compliance, processing payment requests and preparing drawdown requests for CDBG-ED funds, including the *Request for Payment and Status of Funds Reports* and the *Project Progress Report*.
10. Assuring compliance with applicable civil rights requirements, as agree upon in the CDBG Certifications for Application.
11. Preparing all required performance reports and closeout documents for submittal to the City for review and submittal to the CDBG-ED Program.
12. Project liaison with the Company, the community and City Council meetings to provide project status reports and representing the project at any other public meetings, as deemed necessary by the Council.
13. Project monitoring.
14. Public Relations, which includes acting as a contact person for persons interested in the project, preparing press releases, and disseminating project information.

B. The City Attorney will be responsible for:

1. Reviewing all proposed contractual agreements for the CDBG-ED program.
2. Ensuring that any agreements necessary, including the loan agreement, between the Company and the City are properly executed.

III. Financial Management

A. The Finance Manager's responsibilities will be as follows:

1. Establishing the CDBG-ED Program line item account and disbursing CDBG-ED funds from that account based on claims and supporting documents approved by the Project Manager. Since the City uses a non-interest bearing compensative balance for its general disbursements, a separate CDBG-ED account is not necessary. The balance of CDBG-ED funds in the City's account will not exceed \$5,000 for a period of more than three (3) days, and

all CDBG-ED funds drawn by the grantee will be expended for eligible costs within 15 days.

2. Entering all project transactions into the City's existing accounting system (BARS) and preparing checks/warrants for approved expenditures.
3. With the assistance of the Project Manager, preparing the *Request for Payment and Status of Funds Reports* to be submitted to the MDOC. All drawdown requests will be signed by two of the three following persons: two City Council members and the City Fiscal Officer. No expenditures will be made without the approval of the City Council.
4. With the assistance of the Project Manager, preparing the final financial reports for project closeout.
5. Original financial documents (claims with attached supporting documents) will be retained in the City Clerk's office.
6. Monthly time sheets and daily project logs will be maintained by City staff to document all time worked on the CDBG-ED project.

SAMPLE MANAGEMENT PLAN

(Project Managed by Third-Party Non-Profit)

MANAGEMENT PLAN FOR THE MONTANA DEPARTMENT OF COMMERCE
COMMUNITY DEVELOPMENT BLOCK GRANT -ECONOMIC DEVELOPMENT
PROGRAM, MDOC CONTRACT #_____, ON BEHALF OF NAME OF COMPANY

In Fiscal Year 1999, the Name of City ("City") received a grant from the Montana Community Development Block Grant – Economic Development (CDBG-ED) Program that will be loaned to Name of Company ("Company"). The loan repayments will be used to continue the development of the CDBG-ED Revolving Loan Fund, (hereinafter called "The RLF"). The RLF will be used to provide financial capital to create or expand businesses in the City in equal proportion with private financing. New and expanding businesses that borrow funds from the RLF will promise to provide jobs to low and moderate-income (LMI) families in the City. The City will enter a Subrecipient Agreement with Name of Local Development Organization ("LDO") for administering the CDBG-ED Project and the RLF. This Management Plan is written to assure proper management of the CDBG-ED project, which includes financial management of grant funds, compliance with State and federal requirements, timely start-up and completion of project activities, and prudent administration of ongoing loan repayments.

I. ADMINISTRATIVE STRUCTURE

A. LOCAL GOVERNMENT GRANTEE

1. The Name of City is an incorporated city with a Mayor-Council form of government. The following persons will have lead responsibility for administering the City's FY _____ CDBG-ED project on behalf of the City, to facilitate the expansion of Name of Company.
2. _____, as the City's chief elected official, will have responsibility for all official contacts with the Montana Department of Commerce (MDOC). The Mayor and City Council will have the ultimate authority and responsibility for the implementation of the City's FY _____ CDBG-ED project to facilitate an expansion of the Company. The Mayor will approve and sign administrative documents, designate the Environmental Certifying Officer and approve all requests for payment from the CDBG-ED program. The City Council will approve all contracts and drawdown requests. The telephone number for the Mayor and Council is Telephone Number and Email Address is Email Address.
3. _____, City Attorney, will review any proposed contractual agreements associated with the CDBG-ED Grant, advise the City Council regarding the agreements, and provide any other legal guidance as requested. (Telephone: Telephone Number and Email Address: Email Address.)

4. _____, City Clerk, will be responsible for maintaining records related to the management of the initial CDBG-ED project funds for the City. (Telephone: Telephone Number and Email Address is Email Address.)
5. _____, City Fiscal Officer, will be the liaison between the LDO and the City Council members and the City Attorney. He/she will make appropriate recommendations and route all contract documents, administrative documents, and drawdowns as necessary. He/she will also be responsible for the Environmental Review process. (Telephone: Telephone Number and Email Address is Email Address.)

B. NONPROFIT SUBRECIPIENT

1. To provide general technical assistance, coordination of funding sources, assurances of compliance with all applicable state and federal requirements for the CDBG-ED program, the City has designated the LDO as its Project Administrator. The LDO is a not-for-profit 501(c)(3) Local Community Development Agency located in Location. The following LDO personnel will be responsible for the project.
6. _____, Executive Director, will be responsible for all official contacts with the City on behalf of the LDO, keeping the LDO Board of Directors apprised of project status, and entering agreements on behalf of the LDO. (Telephone: Telephone Number and Email Address is Email Address.)
7. _____, Project Manager, will be responsible for overall coordination of the CDBG-ED Grant awarded to the City. He will establish and maintain complete and accurate project files, monitor all project activities for compliance with all applicable requirements, and supervise the project outreach, intake, application and project selection process. (Telephone: Telephone Number and Email Address is Email Address.)
8. _____, Fiscal Officer, will be responsible for the fiscal management of the project, in coordination with the Project Manager and in accordance with the LDO's Fiscal Procedures Manual. He/she will assure compliance with all applicable federal, state and local requirements, keep all fiscal records and accounts for the LDO, assure coordination of all funding sources, review all project expenditures from the business, process pay requests, draft drawdown requests, and prepare all project closeout documents. (Telephone: Telephone Number and Email Address is Email Address.)

II. PROJECT MANAGEMENT

A. The City Fiscal Officer, will:

1. Complete the environmental review for each project to assure compliance with National and Montana Environmental Policy Acts
2. Complete the Statutory Checklist or Consolidated Environmental Assessment Form, as applicable, and any other applicable environmental requirements
3. Prepare any legal notices required to be published for the environmental review process and conducting any required public hearings or informational meetings
4. Prepare a request for release of funds to the MDOC
5. Develop a CDBG-ED contract between the City and the MDOC
6. Review, approve, and submit the CDBG-ED drawdown requests, after preparation by the LDO and approval by the City Council, to the CDBG-ED Program, Business Resources Division, Montana Department of Commerce, and ensure disbursement of funds to the LDO for loan closings and administrative expenses
7. Review and approve all CDBG-ED closeout documents.

B. As a subgrantee, the Project Administrator, LDO is responsible for the following day to day project activities:

1. Coordinating with the City for completion of the environmental review process required of each CDBG-ED project considered for funding to assure full compliance with the National and Montana Environmental Policy Acts and coordinating with the City the preparation of any legal notices required to be published for the environmental review process and conducting any required public hearings or informational meetings.
2. Assisting the City and the MDOC in developing the City's contract with the MDOC that will address all requirements related to effective project start-up and implementation. This will include preparation of all management agreements between the City and the Project Administrator.
3. Establishing and maintaining complete and accurate project files and preparing all documentation and reports incidental to administration of the grant.

4. Reviewing all proposed project expenditures or requests for payment from the business to ensure their propriety and proper allocation of expenditures to the CDBG-ED budget.
5. In cooperation with the City, processing quarterly payment requests and preparing drawdown requests to the MDOC, including the Request for Payment and Status of Funds Report and the Project Progress Report
6. Assuring compliance with applicable civil rights requirements as agree upon in the CDBG Certifications for Application.
6. Preparing all required performance reports and closeout documents for submittal to MDOC and assisting the City's auditors with the completion of the project's audit requirements
7. Closing the CDBG-ED loan in a timely fashion in accordance with the project implementation schedule
8. Monitoring the borrower's compliance with the requirements of the loan agreement including monthly payments, implementation of the project hiring and training plan, submission of monthly financial statements, and documentation of benefit to low and moderate income families
9. Preparing the Program Income Plan for the project and securing MDOC approval for that plan before closing the CDBG-ED loan
10. Attending City Council meetings to provide project status reports and representing the CDBG-ED project at any other public meetings as deemed necessary by the Council
11. Developing a means for assisting the ultimate loan recipients with fulfilling the hiring and training plan requirements, including reports to MDOC regarding progress.

III. FINANCIAL MANAGEMENT

A. The City Clerk will be responsible for:

1. Establishing a CDBG-ED bank account and transferring CDBG-ED funds from that account to the City's treasury for disbursements, based on claims and supporting documents approved by the Project Manager and City Council. Since the City uses an interest bearing account for its general disbursements, a separate non-interest bearing account will be used for CDBG-ED funds. Balances in that account will not exceed \$5,000 for a period of three days. Funds will be transferred to the LDO's account and the LDO will disburse funds to the borrowers

2. Entering all project transactions into the City's existing accounting system (BARS) and preparing warrants for approved expenditures.
 3. With the assistance of the Project Administrator, preparing the Request for Payment and Status of Funds Reports to be submitted to the MDOC. All drawdown requests will be signed by two of the three following persons: Mayor, Director of the LDO, and President of the City Council.
 4. The Project Administrator, the Director of the LDO and/or City Clerk will review all proposed expenditures of CDBG-ED funds and will prepare drawdown requests, which will be signed by the officials cited above. All disbursements will be made in accordance with the City's established claim review procedures. Before submitting the claim to the City Clerk, the Project Administrator will attach a certification to each claim stating that the proposed expenditure is an eligible expense of the City's CDBG-ED grant and consistent with the project budget
 5. With the assistance of the Project Administrator, preparing the final financial report for project closeout
 6. Financial record keeping will conform to the recommendations of the MDOC as described in Chapter 4 of the CDBG Administration Manual. The original financial documents (claims with all supporting documents attached) will be retained in the City's offices.
 7. With oversight and approval from City, the LDO will administer the project within the framework of its financial procedures manual. These procedures are designed to ensure the efficient and effective administration of federal grants within the constraints of uniform federal compliance requirements as outlined in OMB Circular A-110 and further codified in 24 CFR 570-502 (Revised as of April 1, 1997).
- B.** A separate fund for the project will be set up within the general ledger accounts at the LDO. All CDBG activities including revenues, administrative expenditures, loans, and loan repayments will be segregated recorded, and reported in this fund and will be entitled "City of _____ CDBG-ED Project Fund". The first transaction from the fund will be a loan to the Company for \$_____. In conjunction with the loan closing date, the first drawdown from project activity funds will be requested from the City. The LDO will prepare the drawdown request and forward it to the City. The City will review the request in accordance with its normal claim review process, sign the request, and forward it to the Montana Department of Commerce. The loan closing date will be scheduled to coincide with receipt of funds in the City's account to prevent interest earnings on cash held at either the City or the LDO before ultimate loan disbursement to the Company.

- C. Subsequent drawdowns will consist of **administrative payments** from the City to the LDO. **Administrative payments will consist of reimbursement for actual time and costs incurred (Exhibit "X").** The LDO will prepare the CDBG-ED drawdown and attach a copy of an interim expenditure report. The expenditure report is generated from the LDO's automated accounting system and includes a detail for **actual monthly expenses**, project to date expenses, a budget for each line item expense, and the budget remaining for each line item. Upon review and approval, the City will forward the request to the MDOC. The City will reimburse the LDO upon receipt of funds from the MDOC. *(Refer to attachment for sample compensation language.)*
- D. The CDBG-ED project fund will be audited on a yearly basis in conjunction with the LDO's agency-wide audit and the audit will be conducted according to OMB Circular A-133.

IV. PROGRAM INCOME AND REVOLVING LOAN FUND

Program income will be earned from repayments of principal and interest on the note to Name of Company. All program income will be deposited in the Revolving Loan Fund *(see RLF Plan)*. It is the intent of the Name of the City and Name of the Local Development Organization to maintain net equity in the fund at the original project level (\$_____). Interest earnings will be used to fund administrative expenses and loan loss reserves. The fund will be managed to provide a source of ongoing funding for the City's projects that impact LMI persons. Before the beginning of each year, the LDO will report the results of operations and the fund's financial position to the City. At that time, an administrative budget for the following year will also be submitted for review and approval. Based upon the LDO's success in program management, the City will authorize administrative expenses for the next year's activity.

If LDO ceases to exist or an event of default occurs, Program Income relating to the CDBG-ED Grant, including funds on hand and accounts or notes receivable will revert to the City.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the ____
day of _____, 20____.

PROJECT ADMINISTRATOR:

CITY:

Name
Position
Name of Organization

Date

Name
Position
Name of Organization

Date

SAMPLE COMPENSATION LANGUAGE

Presented below are various examples the local government can use and/or modify for compensating the project manager or subrecipient for implementing and managing the initial CDBG-ED loan(s). Provisions for compensating the subrecipient for managing the on-going revolving loan funds that results from repayment of the initial loan(s) should be included in the Subrecipient Agreement.

Project Management

☐ Option 1

The Subrecipient may submit requests for payments quarterly to the City, Town or County. **Requests for payment must be accompanied by a written narrative report that adequately describes and documents the work performed during the grant period relative to the Implementation Schedule.** Total payment for the services rendered under this Subrecipient Agreement for project management will not exceed \$_____.

Compensation for project administration services, including revolving loan fund start-up activities, implementation, loan processing, and on-going monitoring and reporting, will be provided in installments, based on actual work performed. Payment will be based upon the completion of key components, as follows:

<u>ACTIVITY</u>	<u>ESTIMATED DATE</u>	<u>AMOUNT</u>
Complete startup & close loan	_____	\$ _____
Quarterly Monitoring (Six quarterly billings of \$2,500)	_____ thru _____	\$ _____
Completion & Approval of Project Closeout Report	_____	\$ _____

☐ Option 2

The Subrecipient may submit requests for payments quarterly to the City, Town or County. **Requests for payment must be accompanied by a written narrative report that adequately describes and documents the work performed during the grant period relative to the Implementation Schedule. Payments will consist of reimbursement for actual time and costs incurred.** Total payment for the services rendered under this Subrecipient Agreement for project management will not exceed \$_____.

An expenditure report will be generated from the (name of economic development corporation's) automated accounting system and will include detail for **actual quarterly expenses**, project-to-date expenses, a budget for each line item expense, and the budget remaining for each line item, as follows:

Line Item	Budgeted	Current Quarter	Expenses to Date	Remaining Budget
Personal Services				
Office Supplies				
Postage/Printing				
Telephone				
Travel				
Other				
Total				

Budget Narrative: Allows for the revolving loan fund start-up activities, implementation, loan processing, and on-going monitoring and reporting.

Personal Services: Staff costs for salary and benefits, including a ____ FTE project manager, a ____ FTE clerical support position, and a ____ FTE loan officer

Office Supplies: Includes all project-related general office supply costs

Postage/Printing: Includes project-related copy and postage costs

Telephone: Includes project-related telephone costs

Travel: Includes project-related travel costs for staff

Other: Project-related legal, insurance, audit, accounting and training costs